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## CONFIDENTIAL MAPUTO 000533

SIPDIS

E.O. 12958: DECL: 06/05/2018

TAGS: EMIN ENRG EPET ETRD EINV KNNP MZ

SUBJECT: GRM COMMITS TO EXTRACTIVE INDUSTRIES TRANSPARENCY;

BUT NOT COMPLETELY

REF: A. MAPUTO 511 **1**B. 07 MAPUTO 1399

Classified By: Pol/Econ Chief Matthew Roth, Reasons 1.4(b+d)

- 11. (U) The non-profit Center for Public Integrity (CIP) recently hosted a workshop on the Extractive Industries Transparency Initiative (EITI), in conjunction with international institutes Revenue Watch and Southern African Resource Watch. The seminar comes soon after the GRM Finance Ministry and Central Bank signed a technical agreement with the International Monetary Fund committing Mozambique to adhere to the principles of EITI, the GRM's official announcement in April that Mozambique would begin formal proceedings to accede to EITI, and increasing private sector investment in mining and energy (ref A).
- 12. (U) Divided into two segments, CIP focused the first half of the seminar on educating local nonprofits on the EITI's background and history, and building NGOs' capacity to simultaneously support the GRM while measuring its progress—or backsliding—in meeting EITI goals. The second half of the seminar focused on confidence—building measures between the GRM, international donors, and nonprofits on how to work together within the EITI framework, and included presentations by GRM officials that detailed the administration's efforts to comply with EITI.
- ¶3. (C) On the margins of the event, Jonas Moberg, Head of the Oslo-based EITI Secretariat commented to P/E Chief that in his view, Mozambique had moved more quickly and more effectively to meet EITI goals since announcing its intent to accede than any other country had done in the same amount of time. Vice-Minister of Natural Resources Abdul Razak later told us that he had full confidence that the GRM's public institutions already met the intent of EITI, and opined that formally adhering to EITI was unnecessary. Nonetheless, he said, the GRM had directed his Ministry to continue moving forward with the EITI secretariat.
- 14. (C) COMMENT: The seminar's goal to strengthen local nonprofits' watchdog capacity was innovative and useful, and equally heartening is the outside, expert perspective that the GRM is moving in the right direction to achieve transparency. However, the Vice Minister's comments—which track with what the Minister told us previously (ref B)—suggests that the GRM has not yet brought all ministries into the fold and that ongoing outside oversight will likely be necessary to keep some Ministries' feet to the fire. END COMMENT.
  Chapman